

Lindenberg Peninsula and Mitkof Island Stewardship Workshop #2

Meeting Notes

May 11, 2012 6:30 pm

Petersburg Ranger District Conference Room

Attendees: Jerod Cook (small mill owner), Jason Anderson (Petersburg District Ranger), Marina Whitacre (FS Writer/Editor), Tom Parker (FS Planning Staff), Paul Anderson (RAC Member), Charley Streuli (representing self), Sal Cangialosi, Dave Randrup, Craig Anderson (representing self), Chris Cotta (representing self), Herald Medalen, Becky Knight via teleconference, Dave Beebe (City of Kupreanof), Ben Case (representing self), David Holmes, Liz Cabrera (Petersburg Economic Development Council), Mike Stainbrook, Karin McCullough, Eric Lee, Ted Sandhofer (FS Sale Administration Program Manager), Suzanne Ashe (Petersburg Pilot reporter)

Maps displayed: PRD Managed Stands and NEPA Cleared Units, Collaboration Place Map showing planned and past thinning, Tonka Selected Alternative Map, VCU and WAA map for Petersburg Ranger District

Meeting Summary

- The group discussed the possibility of becoming a FACA group. Feelings of the group were mixed on whether it should be pursued. Those who are interested in looking into it or going this route are encouraged to take the steps required to begin the process.
- It was decided by the group that it would be best to have a facilitator other than J. Anderson at the meetings. J. Anderson will look into some possible facilitators and their available dates and report back to the group.
- The benefits and challenges of making local hire a requirement of a stewardship project were discussed. Benefits of local hire could include more money into the local economy; however, local hire can also constrain contractors if the skilled workforce is not present locally. It can also discourage proponents from bidding on projects.
- The group discussed the possibility of writing in a no export provision into the Tonka Timber Sale contract. The Forest Service could encourage less export, however, annual Alaska Region direction determines our export policy (50% for hemlock/spruce and 100% for yellow cedar); it is not something that can be changed by the Ranger. Also, if we exported less, it may be that the profits would decline leaving less money for other projects.
- T. Sandhofer – There are 4 criteria used in selecting a stewardship contractor: 1. Price; 2. Technical proposal; 3. Past performance; and 4. Local hire (either Petersburg or SE AK). The 4 criteria are weighted and used to select who is awarded the contract.
- Red pipes – a concern for some of the group. The Forest Service believes number of the pipes that should be replaced are much fewer than the number of red pipes indicate due to how red

pipes are defined and what's happening on the ground. Pipes are expensive to replace so it is important to make sure the expected benefits match the cost.

- Deer habitat improvement – this is important to the group; however, there is not agreement on the type and location of treatments. Focus on Mitkof? Tonka? Treatments in managed stands or beach buffers, old-growth reserves, or a combination? Thinning? Gap creation? It was suggested the group take a field trip to look at treatments implemented on Mitkof to come up with recommendations for this effort.
- J. Anderson is working on setting up a website for workshop information.

Things for the Forest Service to bring to the next meeting:

- List of possible meeting facilitators and their availabilities
- The date the group needs to have project ideas submitted to be included as elements in the Tonka Timber Sale contract.

Meeting Discussion:

- J. Anderson gave a quick re-cap on stewardship contracting and how best value contracting criteria is an element of the process. Earlier this week he emailed 5 examples of best value criteria that other groups came up with. Hardcopies were provided to attendees at the meeting.
- J. Anderson addressed some concerns presented over the last week regarding the workshop process. Some clarifications – he never intended for this to be a FACA group, but instead a public forum with no fixed participation. The outcome of the meetings is up to the group. J. Anderson is not the chair, although he did convene the group, since he had an interest. Someone else can run the group, if interested. As far as FACA, he can give anyone who is interested in forming a group, information about getting a charter started. He does not have the authority to get a FACA group organized.
- Another question that came up over the week – what's the possibility of members of the group providing formal presentations? J. Anderson stressed that everyone's opinions and comments are welcome. Presentations can be added to future agendas or if D. Beebe or anyone else has something today, we can make time if there are no objections.
- The purpose of these meeting, which still needs to be decided, is up to the group.
- D. Randrup mentioned a current project at Seal Point where locals were hired, but they have been fired and the company has hired its own folks. Highlights how local hire intentions don't necessarily work out.
- D. Beebe - The Stewardship Authority requires collaboration. J. Anderson responded: Yes, the agency has the role of collaborating, and should be doing a better job of it, for all projects, not just those which use the Stewardship Contracting Authority.
- S. Cangialosi – Is it possible to make local hire a requirement of a contract as opposed to an intention to hire locals? Unless local hire is part of the contract, it's blue smoke. J. Anderson responded: we cannot direct that the contract award if only available to a local firm. The solicitation can, however, weigh one bidder's stated intent for local benefit activities against other criteria (like price) and against other bidders approach to local benefit. The Contracting

Officer seeks to pick the bid which increases the overall value to the taxpayer, including price, local benefit, technical approach, etc.

- L. Cabrera – She is interested in rating benefit to local community as a best value criteria.
- H. Medalen – He added that even if there isn't local hire, the project will still employ people and benefit the community.
- J. Anderson – his interest in this effort is to hear the dialogue of ideas folks would like to see happening on National Forest lands. He asked the group if anyone is interested in another facilitator. D. Beebe would like more structure (Robert's rules) to avoid speakers getting interrupted. L. Cabrera thinks that having facilitator be someone's only role would be beneficial. Right now she recognizes that J. Anderson has to play several roles - a tall order. Having a facilitator would be easier for Jay and would help keep conversation rolling. J. Anderson would be happy to no longer play the role of facilitator.
- J. Anderson asked the group about the level of formality they want. D. Beebe would like it more formal. H. Medalen would like maximum informality. S. Cangilosi asked if a FACA group has more influence than ad hoc group. D. Beebe says yes. B. Case asked how has other groups operated. J. Anderson responded: either the agency asks for feedback or a group interested in land management forms and invites the agency. Stewardship groups he knows about have not been FACA sanctioned.
- RAC (Recreation Advisory Committee) is an example of a FACA group. It makes recommendations on how the Forest Service spends a pot of money. It is made up of 15 individuals who make the recommendations; it's a set group; people are nominated and then investigated (i.e., background checks); all of this is through the Department of Agriculture.
- S. Cangilosi would like to see what it takes to get a FACA group going. He'd like to know the process requirements so the group can make an informed decision. C. Anderson pointed out that the Stewardship Forest Service Handbook (FSH 2409.19, Chapter 60) has guidance on this (see 61.12a – Principles of collaboration and 61.12b – Resources for collaboration). FACA is a formal group and requires a budget; P. Anderson is opposed to forming a formal group.
- D. Beebe has contacted Robert Vermillion from the Alaska Regional Office (Forest Service) about stewardship and FACA.
- J. Anderson reiterated that if the group is interested in formalization they are welcome to pursue it. J. Anderson see these meetings as an opportunity discuss what people want to see on the landscape; i.e., social discourse to plan preferred projects in an area.
- There is a group interest in different facilitator – who it might be? FS employee facilitator? Private person? Marcus Kauffman from Oregon Marcus Kauffman and Associates, worked on POW with J. Anderson; Sheinberg and Associates was also mentioned. J. Anderson volunteered to make some phone calls come up with a list of facilitators who are available and when. He will bring the list to the next meeting.
- It was stated that the group needs to decide if we want to have projects ready when go into a contractual agreement (near term horizon) for timber harvest at Tonka. S. Cangilosi asked when we would need best value contacting criteria created for Tonka? J. Anderson will get a date.
- B. Knight would like to know if we can have local hire provisions and if there is a way to build into the contract a non-export provision? J. Anderson responded: It's worth talking to the

contracting officer about this interest (T. Sandhofer was not present yet). C. Streuli responded: Export in AK is looked at on an annual basis under the authority of the Regional Forester. The Tongass will use that authority in the Tonka sale. B. Knight: But this is about local jobs. S. Cangilosi agrees; there could be a requirement of export less than 100%. It was stated that there are trade-offs of more or less export. 100% export of Alaska yellow cedar is allowed in CFR; it's been that way for many years. For hemlock and spruce 50% export is allowed.

- Receipts made on the timber sale will be available for enhancement or restoration projects; it can't be used for planning.
- J. Anderson – A consideration to look into - how does exporting affect stewardship; if 50% is exported does it allow for a higher bid value? What happens to bid values if less export is allowed? H. Medalan - Export allows there to still be a timber industry because that is where the market is. D. Beebe – wants to see as many local jobs rung out of every board foot harvested as possible.
- E. Lee – Would like to see the Forest Service minimize the amount of export. He see the exported wood as valuable because it could be future inventory for viable small industry; the Tonka Timber sale will be a huge loss, because the project area will be liquidated in 2-3 work seasons rather than extended out over many years for local operators.
- L. Cabrera asked J. Cook if he sees any role for himself at Tonka. J. Cook responded: He spent some time analyzing the possibilities of Tonka and determined that he would go broke if went across the Narrows to harvest wood. He also looked at taking his mill there and then moving lumber over. He also had to factored in how to get rid of his projected waste on Forest Service land; for him it's not feasible at his level; his market is local; without developing outside markets first, it would not be a feasible operation.
- K. McCullough has questions about Alaska yellow cedar - can we use more of it locally rather than exporting it all? She mentioned Hammer Slough (*note from notetaker: this may have been Blind Slough*) where the handrails are a concern for her. They are made out of pressure treated wood. She would like to see yellow cedar rails used instead. H. Medalan stated that Alaska yellow cedar freezes apart for boats; it freeze checks terribly; doesn't stand up to weather; doesn't hold paint; it is one of the wonderful exports of our region; people overseas will pay a lot more for it than we will. E. Lee – The market may be elsewhere, but yellow cedar can be processed here.
- L. Cabrera – There is a Tacoma, Washington company named Northwest Woods. It's a small mill and they provide yellow cedar to artists. The owners were in Petersburg last year looking for a place to relocate, and bought property out the road. On Monday she will give them a call and see what kind of volume they would use; this is an example of a soon-to-be local company that has a domestic market.
- J. Anderson talked a little about another project in the works on the district for small mill operators (Mitkof Island Roadside project); this forum is a good opportunity to gauge interest in what's possible off of Mitkof road system; what could a Mitkof project look like? Would small sales on Mitkof support niche markets? Yellow cedar is used in trail projects. Purchasers on Mitkof may be confined to 50 mile radius, mostly a result of economics, based on his experience

with small mills on POW. Mitkof is a better opportunity for discussing a wider range of stewardship projects (compared to Tonka since the planning for Mitkof is just beginning).

- T. Sandhofer – CFR states that yellow cedar harvest is in excess of local or the US demand; he also stated that if yellow cedar is domestically processed there is a rebate.
- C. Streuli – (making a point about the cost of harvesting trees) Free use lumber is a misnomer, it can be cost-prohibitive – a person may be better off going to Hammers Hardware to get their wood.
- It was stated that there needs to be a supply of cleared wood to support a timber industry. P. Anderson: As long as the supply is constrained, timber harvest will continue to be controversial. The Forest Service can approve small sales and microsales, but it won't address the problem of supply.
- T. Sandhofer: There are 4 criteria used in (Best Value) contracting; 1. Price (how much are they willing to pay for timber?); 2. Technical proposal; 3. Past performance; and 4. Local hire (either Petersburg or SE AK). The 4 criteria are weighted; the proposal becomes a binding proposal. Someone asked - what is the process of developing a requirement of the contract? Answer: The group can recommend criteria. T. Sandhofer will review it and see if it's possible – and then he will decide if it can go into a contract.
- M. Stainbrook – He asked T. Sandhofer if the Forest Service has ever gone beyond the 4 criteria mentioned. T. Sandhofer will look into it. (One of the best value criteria examples J. Anderson provided the group had 6 items for proponents to respond to.)
- L. Cabrera – Could it be that a certain percentage of the work force needs to be local to get an acceptable rating? T. Sandhofer responded: The criteria could include that the proponent who could use more local people to get the job done would be favored.
- D. Beebe – FSH Stewardship focuses on restoration – that is why he is here; there has been a crash in the deer population in Tonka; he would like this body put a high priority on restoration activities; he believes the silviculture practices used to improve habitat are questionable because slash is left in place; there are efficacious ways to be effective and that's what he would like to see; there are methods of treating young-growth that are more effective than others. Streuli responded: There are some recent studies from this area that have looked (and found) effective young-growth and slash treatments to improve habitat.
- J. Anderson – where do we want to do vegetation treatments? Is Lindenberg Peninsula the best place? Are beach buffers? Where is the most effective place for these projects? He suggests taking field trips and having presentations about how to accomplish improving deer habitat.
- B. Knight – She is concerned about level of logging on Lindenberg and Mitkof; deer habitat has been nuked; there are 38 red pipes in Tonka that are in violation of the Clean Water Act; the agency should fix them no matter what; she is very concerned about deer habitat and deer; thinning needs to be for wildlife not as precommercial thinning.
- S. Cangilosi – Can the group put red pipe removal into the contract? J. Anderson responded: It will depend on if the Forest Service has done the environmental analysis to do that work. We should also question effectiveness of red pipe removal by looking at the amount of habitat loss; probably not worth it to pay \$80,000 for 8 feet of habitat.

- S. Cangilosi – Are there red pipes in Tonka? Becky responded: Yes, 38 pipes in the Tonka project area and with every timber sale more are created and never repaired. S. Cangilosi asked if there has been a cost/benefit analysis on these. Becky responded: the Forest Service has records and well as the State. J. Anderson – Forest Service engineers have garnered many dollars and fixed red pipes; it is a concern, and the speed at which they are replaced is not what people want; however, big ticket pipes have been addressed.
- B. Knight: There are three levels of impaired pipes; red is the highest level. J. Anderson responded: there are green, gray and red pipes. Green mean no concern, gray may be a concern, although the Forest Service doesn't use this terminology anymore; red pipes are those we are not sure if fish are passing; the best approach to fixing pipes is to look at pipe by pipe to see which ones are more effective to fix.
- C. Streuli would like to see the 38 Tonka pipes prioritized with how much each one would cost to replace (*this has already been done by the Petersburg Ranger District aquatics group, see maps for locations*). As for thinning for wildlife – if the Forest Service doesn't thin at all it will look like Falls Creek where there is no forage. It should be compared with an area that has been thinned and thinned again and pruned to see the benefits. Group will also need to look at cost per acre to thin and cost per acre to prune.
- T. Sandhofer – The District ATM (Access Travel Management Plan) is fixing a lot of red pipes; new timber sales don't create new red pipes; the Forest Service fixes pipes from past management, not present management.
- E. Lee – He would like to see habitat restoration (gap creation) rather than precommercial thinning; however, thinning is good for music wood spruce; he would like to see Forest Service change policy away from precommercial thinning. J. Anderson responded: The policy in play is outside the control of this room; we need to think about how to take existing policy and make as much habitat as possible; make an investment in the landscape; habitat thinning to increase habitat and met the objectives of the timber LUD (land use designation); try to accomplish both objectives.
- D. Beebe: Gap thinning has a longer life than thinning. There are hidden costs that are not on the timber harvest balance sheet (for instance, use of log storage in a crabbing area).
- H. Medalen – Crab and deer have legs and can find new habitat; the land base for timber is a very small percentage of the whole Tongass; he believes we have plenty of habitat for deer; he is not opposed to improving habitat in areas that have been harvested.
- L. Cabrera: Can thinning and red pipe work be included in the Tonka Timber Sale contract or as stewardship with timber receipts? J. Anderson response: The work could be offered as part of the Stewardship contract or the Forest Service could use the retained receipts from a Stewardship Contract to implement other stewardship projects. One tactic would be to have enough projects ready to go (i.e., NEPA cleared) to use the money, or find projects that have already been NEPA approved (through the ATM, perhaps).
- E. Lee – Deer population crashed 40 years ago, now the same thing is going to happen on Lindenberg. The Forest Service needs to assume responsibility and incorporate small gap thinning which works the best for habitat improvement. He reminds the Forest Service that they have a responsibility to provide for subsistence lifestyles.

- C. Anderson: Stewardship provides a means to generate money for local jobs and improve habitat from timber dollars. He cautions that if we write too many specifics into the timber contracts, we risk only having a couple bidders. He suggests maximizing local jobs and using receipts for resource enhancement projects. The group still needs to come up with a purpose and need for the project(s). The tactic of putting criteria into the timber contract may be more restrictive, may limit bidders and will risk getting less of the project done. It would be less restrictive if the group gets projects ready and waits for receipts to come in. He recommends using generated timber receipts to fund future stewardship projects.
- B. Case: He thinks the group should not get in a rush to get restoration planned. He hasn't heard concerns for fish runs on Tonka and believes Tonka is in pretty good shape; the existing condition is okay; his concern is the restricted deer hunt on Mitkof, and sees the Tonka timber receipts as an opportunity to address Mitkof habitat that could use some attention.
- S. Cangilosi: He understands that the retained receipts go to the Region, so we take a risk losing access to that money if we wait to plan projects. J. Anderson clarifies: Correct. The Regional Forester can decide where the money is spent; however, showing a community effort was made to identify a list of projects does weigh into the Regional Forester's decision.
- C. Anderson: Regarding what a stewardship project looks like: purpose and need for action, projects proposed; project descriptions are not required to be extremely specific; and signatures.
- T. Sandhofer: He does not recommend going under 25% in services in the Stewardship contract or over 85%. You don't want to allocate all the receipts because then you would need appropriated funds.
- P. Anderson: The Forest Service has been coming to the RAC with proposals for project dollars the last two years. RAC struggles to find enough projects to fund. He wonders where everyone was when they were looking for projects to fund last year - all the projects mentioned tonight could have been funded.
- B. Knight: It would have been nice if Tonka had been advertised for a stewardship sale; now we are in a position where the Forest Service doesn't want to muddy up a contract for Viking Lumber by inserting best value criteria. At least that is the way it appears to her. J. Anderson response: FSH direction does not recommend including stewardship authority as part of project planning; rather it recommends looking at stewardship as a separate process. This way stewardship projects do not get tied up with a timber sale if it goes into litigation.
- At the next meeting it is recommended that the group spend more time on the whats and hows.
- T. Parker talked about the maps to give the group an idea of the existing condition on Mitkof Island and the Lindenberg Peninsula. Mitkof Island is one WAA – there have been 16,000 acres of harvest; 8,000 acres of that has been thinned, some areas have been thinned twice. On Lindenberg – there has been 5,000 acres of harvest; 1,200 acres have been thinned; and by 2014 half (2,500 acres) will be thinned. Most of the thinning is at 16x16 foot spacing, some has been at 14 x 14 foot spacing. The 38 red pipes on Lindenberg have been prioritized based on habitat above the pipe. The same goes for pipes on Mitkof Island.

- S. Cangilosi: He would like to see a place on the web for all this information, including the data. J. Anderson is working on that. He will let everyone know when it is available. S. Cangilosi suggests providing all the collected information and data to all of Petersburg.
- J. Cook presented 3 points to summarize his thoughts regarding the meeting: 1. Stay focused on why we are here; we are here to discuss what we want to spend receipts on, and are only talking about that for ¼ of the time; 2. Local hire – local hire great concept, but the reality of it is questionable. How many loggers do we have in Petersburg? And it's hard to find subcontractors in the community. If we constrain contracts with strict local hire provisions they cannot succeed. 3. Export is not a big deal. For Jerod it's fast cash. He's had to export logs to get the cash to get the work done; and also needs export to get money for larger cuts. He believes we would shoot ourselves in the foot if we don't allow export.
- Meeting adjourned at 9:05 pm.

Next meeting:

Wednesday, May 23, 2012, at 6:30 pm in the Petersburg Ranger District conference room